

## **Trust Account Policy**

This policy document describes the types of accounts, which are operated by the Foundation. It also describes the manner in which such accounts are established, managed, and reviewed.

Overall, there are three types of accounts within the Foundation: 1) Grant and Contract accounts, 2) Exempt Trust accounts, and 3) Non-Exempt Operating Trust accounts. Each is described below (either directly or by reference to established policy).

### **Grant And Contract Accounts**

The source of funding is external and is governed by University policy number 501 located in the Academic Policy Manual (APM) entitled *Policy on the Administration of Grant and Contract Activity*.

### **Exempt Trust Accounts**

There are two types of exempt trust accounts:

1. Endowments
2. Scholarships and Loans

These accounts are exempt from handling charges if the source of the funds is donations (all deposits must be accompanied by a donations receipts form).

All gifts received are governed by University policy number 611 located in the Academic Policy Manual (APM) entitled, *Gifts to the University - General Guidelines Solicitation, Acceptance, and Acknowledgment of Gifts* and the California State University, Fresno Foundation Circular 94-2 entitled, *Policy on Private Donations*.

### **Non-Exempt Operating Trust Accounts**

These accounts support the operating purpose of the University. The source of funds deposited to these accounts includes fees for services and sale of products or goods exclusively. (Included are approved workshops, seminars and conferences not offered for credit.) An administrative handling fee currently 8 percent is charged on these accounts. The administrative handling fee is a one-time assessment on all revenues, excluding donations and transfers between Foundation accounts.

## **Trust Account Procedures**

A request to open Exempt and Non-Exempt Operating Trust accounts is made using the *Non-State Operating/Miscellaneous Trust Funds Account Application* form.

The Provost and Vice President for Academic Affairs, the Vice President for Administration and the Vice President for University Advancement have the primary responsibility for approval and use of trust accounts, in their respective areas. Additionally, the Vice President for University Advancement must review and approve establishment of all accounts where the source of funds is donations. The President has review and approval authority on new accounts that do not fall directly under one of the above mentioned Vice Presidents.

The Executive Director of the Foundation will review, and as appropriate, approve all accounts on behalf of the Foundation. The Director of Budget and Internal Audit will be informed of the establishment of all new trust accounts.

## **Other Trust Account Procedures**

All Exempt and Non-Exempt Operating Trust accounts shall have a beginning and ending date established. The maximum length that an account may be opened for is three years, with the exception of accounts set up for endowments or scholarships and loans, which are permanent. A request to renew the account may be submitted prior to the end of the normal three-year term. Accounts will be closed and the account signatory and responsible campus officer notified if there is no activity for more than one year.

All trust account overdrafts must be approved, in advance and in writing, by the Foundation. Overdrafts are considered loans and will be treated accordingly. Interest will be charged against the trust account while the account is overdrawn, subject to the terms of the Foundation's loan policy.

Laws and regulations governing the not-for-profit and tax exempt status of the Foundation prohibit self-dealing practices. Consequently, the Foundation must have in place financial control procedures which preclude even inadvertent events which may jeopardize its status. The procedures described below are established in accordance with this requirement:

A counter signature is required on all authorizations and payroll documents in all of the following cases:

1. Where funds, regardless of amount, are to be disbursed to a member of the account signatory's family.

2. Except for campus Deans, Vice Presidents, and the President, where funds in excess of one hundred dollars are to be disbursed to the project director/account signatory.
3. Where campus Deans, Vice Presidents, or the President request disbursements to themselves in excess of one thousand dollars, a counter signature from the requester's supervisor will be required.